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An Act To Phase Out the Distribution of the Disproportionate Tax Burden Fund under the State- municipal Revenue Sharing Program over a 5-year Period

CONCEPT DRAFT SUMMARY

This bill is a concept draft pursuant to Joint Rule 208.

This bill proposes to gradually restore over a 5-year period the system of distributing state-municipal revenue sharing to the system that was in place prior to 2000 when the distribution system was bifurcated into the so-called "Rev I," Local Government Fund, and "Rev II," Disproportionate Tax Burden Fund, systems.

The bill would accomplish this restoration by reestablishing the pre-2000 Local Government Fund system as the sole method of distributing state-municipal revenue sharing on and after fiscal year 2014-15.

Beginning with fiscal year 2009-10, the bill would require the Treasurer of State to capture 20% of the Disproportionate Tax Burden Fund and redistribute it through the Local Government Fund. The bill would require an additional 20% of the "Rev II" distribution to be similarly redistributed through the "Rev I" system during each subsequent fiscal year until fiscal year 2014-15, when the single distribution system would be fully implemented.